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Thinking About Retirement?

If you are planning to retire within the near future, this leaflet is for you. It is designed to provide you with a general guide to help you through the retirement process. It also discusses how your application for retirement is processed at your agency and the Office of Personnel Management (OPM).

Retirement is one of the most important events in your life. A successful retirement takes careful planning on your part. Understanding your role in the retirement process, and the roles played by your agency and OPM, is an essential part of that planning. By working closely with your agency, you can help ensure that your retirement from Federal service will be smooth and worry-free.

This leaflet is divided into three Sections: Preparing to Retire, How Your Agency Processes Your Retirement Application, and How OPM Processes Your Retirement Application.

The information provided in this leaflet applies primarily to employees who are retiring voluntarily from the Federal service.

Personnel Office telephone number: _____

Payroll Office telephone number: _____

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SECTION I, PREPARING TO RETIRE

Your most valuable step in planning for retirement is to contact your personnel office for pre-retirement counseling at least a year before your planned retirement date (or as soon as possible after you decide to retire, if later). By doing so, you will allow your agency sufficient time to verify all of your service history before you separate from the Federal service. This step is very important, especially if you have service which was performed at other agencies or service which was not properly documented at the time it was performed. If your service is not verified before your agency sends your retirement package to OPM, the final processing of your application for retirement may be delayed until the service is verified.

The steps outlined below will assist you in preparing for retirement.

One Year Or More Before Your Planned Retirement Date--

Contact your personnel office and request to attend a pre-retirement counseling seminar, if available at your agency.

Make an appointment with a retirement counselor (or other person able to assist you) at your personnel office to review your Official Personnel Folder (OPF) or its equivalent. Make a list of all of your periods of Federal service, including the beginning and ending dates of the service and name and location of agency. At your personnel office:

1. Review your Standard Form 144, Statement of Prior Federal Service (if previously completed).

2. Make sure your OPF includes official documentation of the following:

   -- Service dates for all of your Federal employment,

   -- Effective dates for each adjustment to your pay or tour of duty,

   -- A record of time worked under part-time or intermittent appointments,

   -- Documentation of any military service,

   -- Current designation of beneficiary for life insurance (SF 2823) if you filed one, and

   -- Records of your health benefits and life insurance coverage(s). Note: If you were not enrolled for the five years of service immediately preceding your annuity commencing date (or from your first opportunity to enroll), you CANNOT continue your health benefits or life insurance coverages into retirement. (Federal health benefits coverage as a family member counts toward the five-year requirement.)

3. Get advice from the person assisting you as to whether the records in your OPF verify that you meet the age and service requirements (and any other applicable requirement) for retirement on your proposed retirement date.

4. If any documentation is missing from your OPF, bring it to the attention of the person assisting you and request that the personnel office obtain the documentation. All service and insurance coverage(s) should be verified and documented before your agency submits your retirement package to OPM. Otherwise, the final processing of your retirement application may be delayed until the missing documentation is obtained.

5. Request estimated annuity computations at this time.

   This is especially important if you need to make a decision on paying a deposit or waiving military retired pay. (If you do not need to make these decisions, you can generally wait until five months before retirement for an annuity estimate.)

6. If applicable, ask your personnel office for advice on how to apply to make deposits for:

   -- Post-1956 military service,

   -- Civilian service for which no retirement deductions were withheld from salary (non-deduction service),

   -- Civilian service for which you have received a refund of retirement deductions. (Not applicable if you received the refund for service subject to the Federal Employees Retirement System.)

   Military service deposits must be made to your agency before you separate from employment. Civilian service deposits for non-deduction and refunded service are necessary in order to receive full retirement credit. Ask the person assisting you to explain the service credit rules and how the alternative annuity option affects the payment of civilian service deposits.

Six Months Before Retirement

7. If you are receiving military retired pay, ask your personnel office for information on how your receipt of this benefit will affect your annuity. Generally, if you are receiving military retired pay, your military service is not creditable under the Civil Service Retirement System or the Federal Employees Retirement System.

If you want to waive your military retired pay in order to receive credit for your military service, write to your Military Finance Center. (This step should be taken at least 90 days but no later than 60 days before your planned retirement date.) Ask your personnel office for assistance in selecting the correct effective date for the waiver.

Attach a copy of your waiver request and any response from your Military Finance Center to your application for retirement. Be sure to keep copies for your personal reference.

8. Clear up any financial indebtedness to your agency.

Four Months Before Retirement

9. Contact your retirement counselor (or the appropriate official in your personnel office) and obtain all the necessary retirement forms.

10. Complete the retirement application and related forms. Ask your personnel office for assistance if you have any questions. Failure to complete any form that may be required in your case may cause your personnel office or OPM to delay the final processing of your application for retirement.

11. Submit all forms to your supervisor or administrative officer/personnel office. Keep a copy for your personal reference.

SECTION II,
HOW YOUR AGENCY PROCESSES YOUR RETIREMENT APPLICATION

Your Personnel Office--

The processing of your retirement application begins at your personnel office. The appropriate official in your personnel office will check your OPF or its equivalent to ensure that you meet the age and service requirements for retirement and for continuing any insurance coverages you may have. He or she will also prepare a Certified Summary of Federal Service which lists your verified Federal civilian and military service. You will then be given an opportunity to review and sign the Certified Summary for completeness and accuracy. Your personnel office will also take the following actions, if applicable in your case:

-- Certify your Federal Employee's Group Life Insurance coverage to OPM, if you appear eligible to continue this coverage into retirement.

-- Transfer your Federal health benefits enrollment to OPM, if you appear eligible to continue this coverage into retirement.

-- Process the Personnel Action necessary to separate you from the Federal service for retirement.

-- Complete and certify the personnel office portion of your retirement application and the Agency Checklist of Immediate Retirement Procedures.

After your personnel office completes all of its actions, your application and related records are sent to your payroll office.

If you need to contact your servicing personnel office concerning retirement matters, the telephone number can be found on the front cover of this leaflet.

Your Payroll Office--

Your payroll office will authorize your final salary payment after you separate for retirement and a lump sum payment for any unused annual leave you may have. The payroll office will then certify and close out your Individual Retirement Record, which is the official record of your Federal service history. It reflects your retirement contributions for your current service, pay rates, unused sick leave credit for civil service retirement purposes, last day of pay, and date and type of separation, and other data which is necessary for OPM to determine your retirement benefits. Because this record reflects your total retirement contributions, it cannot be closed out until your final salary check has been issued.

Your payroll office will also:

- Complete its portion of the Agency Checklist of Immediate Retirement Procedures, and

- Certify your annual basic pay for life insurance purposes, if applicable.

After completing all the actions necessary in your case, your payroll office will forward your retirement package on a "Register of Separations and Transfers" to OPM, Employee Service and Records Center, Boyers, Pennsylvania 16017.

Depending on your agency's procedures, your payroll office may then send you a letter which provides you with information about the Register on which your retirement package was sent to OPM. This information includes the Register number, the transmittal and

mailing dates, and your payroll office number. DO NOT CONTACT OPM UNLESS YOUR RETIREMENT PACKAGE HAS BEEN SENT TO THEM. OPM will not be able to assist you until they have received your retirement package.

Under OPM's current standards, your agency is expected to complete its personnel office and payroll office processing actions and forward your retirement package to OPM so that it is received within 30 days after you separate. However, this processing standard is not met in all cases.

If you need to contact your payroll office while it is processing your retirement application, the telephone number can be found on the front cover of this leaflet.

Note: Applications for disability retirement are processed differently from that described above. If you are retiring on disability, your agency will normally send your retirement application, evidence supporting your disability claim and preliminary retirement records to OPM. OPM will then review the records and determine if you qualify for disability retirement. If you are eligible, OPM will notify your agency to separate you from their rolls.

SECTION III,
HOW OPM PROCESSES YOUR APPLICATION FOR RETIREMENT

Shortly after it receives your application for retirement, OPM's Employee Service and Records Center, Office of Retirement Programs, will send you an acknowledgment and your retirement claim number. Your claim number will begin with the letters "CSA." This number is very important because you will need to refer to it any time you call or write OPM about your claim. If you need to contact OPM before you receive your CSA number, be sure to provide them with the following information about the Register on which your retirement package was sent: the Register number, its transmittal and mailing dates, and the payroll office number. This information is available at your payroll office as discussed in Section II above.

The Employee Service and Records Center will review your application package (and any retirement records OPM has on file from service at a previous agency) and assemble them into a retirement file. If your entitlement to annuity is clear, OPM will authorize recurring interim annuity payments to provide you with an income until your claim is completed. If necessary, we will request additional information to develop any incomplete service history or insurance documentation that was not provided by your agency that may be needed to process your claim.

Interim annuity payments are usually about 85% of your regular monthly payment (or about 95% if you are eligible for and elect the alternative annuity option). Interim payments are ordinarily authorized within 12 to 14 days after OPM receives your retirement package from your payroll office. Treasury Department processing and U.S. Postal Service delivery requires an additional 8 to 10 days. Therefore, you will usually receive your first payment within 3 to 4 weeks after OPM has received your retirement package from your payroll office. OPM will send you a notice informing you of the amount of your interim payments.

After the Employee Service and Records Center completes their actions, they will forward your retirement file to OPM's Office of Retirement Programs in Washington, D.C. Your case will then be assigned to a retirement claims examiner for the final adjudication of your application for retirement. The claims examiner will review your entitlement to benefits and will follow-up to obtain any outstanding documentation needed to process the application for retirement.

When your retirement file is determined to be complete and accurate, the claims examiner will determine the amount of your monthly annuity benefit. If you are not eligible to elect an alternative annuity, (i.e, you are retiring on disability or you have a former spouse who is entitled by court order to a survivor annuity or a portion of your annuity), the claims examiner will authorize payment of your regular annuity benefit.

If you are eligible to elect an alternative annuity (a reduced monthly annuity with a lump-sum payment of your retirement contributions), the claims examiner will preadjudicate your claim by determining the amount of your monthly benefit under both the regular and alternative annuity provisions of the retirement law. He or she will then send you a notice which provides you with specific information about the alternative annuity election (including general tax information about this benefit in addition to specific tax information relating to your annuity). You will have 30 days in which to make this election. After receiving your decision, the claims examiner will process your case and authorize the annuity due you. Because your agency may not have all of the data on which the amount of the alternative annuity benefit is based, this election cannot be made before OPM has preadjudicated your claim and sends you the election notice in order to insure that your election is a fully informed one.

OPM is able to complete the final adjudication of fully documented claims within 50 to 55 days from the date it first receives the retirement package from the individual payroll office. Of course, the processing time for each case will vary according to how long it

takes a retiree to make the alternative annuity election and whether the retirement package submitted by the agency is fully developed and accurate when it is submitted to OPM. Please note that interim payments will continue until your claim is adjudicated.

If your annuity begins on or after January 4, 1988 and before October 1, 1989, and you elect the alternative annuity, your lump-sum payment of retirement deductions will generally be paid in 2 installments:

1. A first installment of 60% of the lump sum which will be paid shortly after OPM receives your election, and

2. A second installment of 40% of the lump sum (plus interest) which will be paid on the first business day of the month that is 12 months after the month in which your annuity begins.

OPM will send you an Annuity Statement and other informational material concerning your retirement benefits after your claim is processed.

If you have questions concerning the status of your application for retirement, you may call OPM's Retirement Information Office at (202) 632-7700. However, you should **not** use this telephone number unless your agency has sent your retirement package to OPM.

This leaflet provides highlights of the retirement process for the Civil Service Retirement System and the Federal Employees Retirement System. For more information contact your personnel office.

Please keep this notice with your other important papers.